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{ REPORT
No. 215

AMENDING THE ARMS CONTROL AND DISARMAMENT ACT

JUNE 6, 1963.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations, submitted
the following

R E P O R T

[To accompany S. 777]

The Committee on Foreign Relations, having had under consideration the bill (S. 777) to amend the Arms Control and Disarmament Act, report the same favorably to the Senate with amendments and recommend that as amended the bill do pass.

MAIN PURPOSE

As reported, S. 777 authorizes the appropriation of \$20 million for fiscal years 1964 and 1965, to remain available until expended. In addition it permits the Arms Control and Disarmament Agency (ACDA) to grant a security clearance to contractors, subcontractors, and their employees on the basis of an investigation made by a Government agency other than the Civil Service Commission and the Federal Bureau of Investigation. Several other changes in existing law are also made by S. 777. All of these are discussed in detail in other sections of this report.

BACKGROUND

The Arms Control and Disarmament Act became law on September 26, 1961. As recommended by the President, it established the Arms Control and Disarmament Agency to deal broadly with the whole range of disarmament matters, including research, policies, and programs.

The act charges the Agency with these primary functions:

- (a) The conduct, support, and coordination of research for arms control and disarmament policy formulation;

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(b) The preparation for and management of United States participation in international negotiations in the arms control and disarmament field;

(c) The dissemination and coordination of public information concerning arms control and disarmament; and

(d) The preparation for, operation of, or as appropriate, the direction of United States participation in such control systems as may become part of United States arms control and disarmament activities.

The first research contract was awarded by the Agency on February 26, 1962. A full list of contracts let to date, together with those contemplated in fiscal year 1964, follows:

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Status of research contracts and grants, fiscal year 1963

A. Contracts, amendments, and grants signed:

1. Techniques for monitoring production of strategic delivery vehicles, contract ACDA-1 (Bendix) (fiscal year 1962)-----
- Same. Amendment No. 3 to describe U.S. strategic missile technology----- \$19, 000
2. Design and evaluation of inspection systems for a ban on weapons of mass destruction in space and for restrictions on missile flight tests, contract ACDA/ST-12 (Sylvania)-----
- Same. Amendment No. 1 provided for special report on techniques of verification for a Latin-American nuclear-free zone----- 354, 000
- Amendment No. 2 to provide for special report on arms reduction and the use of potsdam-type military liaison missions----- 5, 726
3. Implications and inspection of restrictions on missile and military space system research, development, test, and evaluation (R.D.T. & E.) activity, contract ACDA/ST-13 (Aerospace)-----
- Amendment No. 1 to analyze the technical problems involved in converting sounding rockets to surface-to-surface missiles----- 2, 632
4. Progressive zonal disarmament, contract ACDA/WEC-2 (Raytheon) (fiscal year 1962)-----
- Same. Amendment No. 1 provided for extension of work to "develop planning principles for field tests of inspection techniques"----- 217, 700
5. Evaluation of combined techniques for monitoring levels and production of strategic vehicles, contract ACDA/ST-16 (Bendix)-----
6. Problems of subversion and peaceful change, ACDA/GC-11 (Richard A. Falk) (fiscal year 1962)-----
- Same. Amendment No. 1 to provide for historical and documentary appendixes----- 4, 418
7. European view of European security and the present general and complete disarmament proposals, grant ACDA/WEC-14 (Institute for Strategic Studies)-----
8. Responses to violations of arms control and disarmament agreements, contract ACDA/GC-17 (Historical Evaluation and Research Organization)----- 78, 120
9. Peacekeeping Panel study, contract ACDA/GC-19 (Johns Hopkins University; Washington Center of Foreign Policy Research)-----
10. Development of a field test plan regarding production of strategic delivery vehicles, ACDA/WEC-18 (Bendix Corp.)----- 21, 064
- 162, 000
- 87, 308
- 158, 500

Status of research contracts and grants, fiscal year 1963—Continued

A. Contracts, amendments, and grants signed—Continued	
11. Verification for retained levels of ground forces, armaments and tactical nuclear delivery vehicles, ACDA/WEC-22 (Sylvania)-----	\$202, 000
12. Studies on arms control and international communism, ACDA/IR-15 (MIT)-----	65, 000
13. Regional arms control arrangements for developing areas, ACDA/IR-24 (MIT)-----	145, 000
14. Arms control and disarmament concepts and the military environment in the European area, ACDA/WEC-23 (Stanford Research Institute)-----	267, 688
15. Interaction of arms control and disarmament measures with capabilities of ground forces, ACDA/WEC-21 (Research Analysis Corp.)-----	177, 300
16. Reciprocal influences of weapons and political systems, grant ACDA/IR-20 (Eagleton Institute-Rutgers University)-----	40, 000
17. The nonmilitary aspects of CENTO, grant ACDA/IR-26 (Dr. Richard H. Pfaff)-----	1, 500
18. Psychological factors in Soviet disarmament positions (Institute for the Study of National Behavior, Inc., Princeton, N.J.)-----	10, 704
Subtotal-----	2, 239, 160
B. Contracts, amendments, and grants under negotiation-----	740, 300
1. Interaction of arms control and disarmament measures with capabilities of strategic nuclear forces (RAND).	
2. Summer study on Soviet attitudes (Columbia University).	
3. Ground inspectable features of Soviet armament production technology (Arthur D. Little).	
4. Analysis of requirements for automation of data processing for inspection field tests (RFP No. 16).	
5. Survey of sensors and techniques applicable to arms control inspection and verification (RFP No. 17).	
C. Requests for proposals-----	295, 000
In selection board process:	
(a) Computation laboratory (RFP No. 18).	
(b) Arms control concepts and the European political environment (RFP No. 19).	
(c) Future character and role of Peace. Observation arrangements under the United Nations (RFP No. 20).	
D. Reimbursement agreements with other agencies:	
1. Soviet fiscal system—allocated to Department of Commerce-----	10, 000
2. CW-BW study (DOD)-----	75, 000
3. Technical analysis and planning for field tests (DOD)---	425, 000
4. Preparation of new digest of international law (Department of State) (contribution for arms control and disarmament section)-----	14, 500
Subtotal-----	524, 500
E. Action documents in process (approved by Research Council)---	16, 000
1. Soviet military expenditures.	
2. Responding to apparent disarmament violations.	
Total committed to contracts, grants, and agreements--	3, 814, 960

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Fiscal year 1964 contract and grant research program

I. CONCEPT STUDIES

A. Regional security and arms control and disarmament-----	\$480, 000
1. Analysis of specified A.C. & D. proposals for the European area.	
2. Political aspects and impact of arms control in developing areas.	
B. Preliminary measures for general arms control and disarmament-----	610, 000
1. Technical aspects of command and control as arms control measures.	
2. Studies of steps to improve the international environment for A.C. & D. (grants).	
3. Economic impact of specific arms control and disarmament measures in the U.S.S.R.	
4. Political potentialities and barriers to limited arms control arrangements.	
C. Substantial measures for general arms control and disarmament-----	800, 000
1. Interaction of specified A.C. & D. measures with strategic military capabilities, including analysis of verification requirements.	
2. Interaction of specified A.C. & D. measures with capabilities of naval forces.	
3. Interaction of specified A.C. & D. measures with capabilities of ground forces.	
4. Exploratory studies of new A.C. & D. concepts (grants).	
D. International security arrangements for disarmament and the preconditions for disarmament-----	350, 000
1. Role of alliance systems in a disarming and disarmed world.	
2. The legal structure and financial support of an international disarmament organization and its relationships to the United Nations.	
Subtotal-----	<u>2, 240, 000</u>

II. SUPPORTING STUDIES

1. Inspection system studies-----	750, 000
(a) Development and evaluation of alternative graduated access inspection concepts.	
(b) Inspection theory and concept studies (grants).	
(c) Operational organization of an international inspection organization and the role of intelligence.	
2. Studies of elements in an inspection system-----	1, 000, 000
(a) The role of electromagnetic and mechanical sensors in inspection.	
(b) The use of economic data as a part of the verification process.	
(c) Analysis of nonphysical inspection techniques (grants).	
(d) Preliminary design and feasibility studies for special-purpose inspection equipment.	
3. Verification of specific armaments and activities-----	1, 300, 000
(a) Inspection for clandestine military activities.	
(b) CW/BW verification and control problems.	
(c) Study of methods of limiting military manpower compatible with inspection.	
(d) Verification and control of nuclear weapons production and stockpile.	
(e) The structure of Soviet industry with reference to the production of specified weapons.	
(f) Feasibility of control of R.D.T. & D.	
(g) Fiscal systems of the Soviet bloc with reference to military expenditures.	

Fiscal year 1964 contract and grant research program—Continued

II. SUPPORTING STUDIES—continued

4. Legal and political aspects of inspection, violations, and response.	\$450,000
(a) Studies of the legal and political implications of the inspection of industry.	
(b) Response to indirect aggression and subversion.	
(c) Gaining of violations and responses.	
(d) The development of rules of international law.	
5. Research for inspection field test program.	2,400,000
(a) Field test design study.	
(b) Field test data processing.	
(c) Field test research.	
6. Strategy of negotiations.	200,000
(a) Political factors bearing on abrogating, renegotiating, or arms control agreements.	
(b) Tactics and techniques of negotiating arms control and disarmament agreements.	
7. The relationship between national political environments and arms control.	250,000
(a) Soviet political environment in relation to arms control and disarmament.	
(b) Arms control and disarmament arrangements and national expectations.	
(c) Soviet attitudes toward A.C. & D.	
8. Historical studies of arms control and disarmament experiences.	410,000
(a) Analyses of international disputes.	
(b) Interaction of the post-World War II arms race with political tensions.	
(c) Historical analysis of issues in disarmament negotiations under the League of Nations.	
(d) Analysis of past A.C. & D. agreements (organizations, control, compliance, violations, and response).	
(e) Origin and operations of the armistice organization in Korea.	
9. Technical and economic dislocations resulting from arms control and disarmament.	350,000
(a) Effect of arms control and disarmament in the electronics industry (United States).	
(b) Methods for analyzing defense employment (a feasibility study).	
(c) Regional case study (economic impact).	
10. Analyses of nongovernmental arms control and disarmament efforts.	100,000
(a) Study and full description of nongovernmental organizations in the United States concerned with problems of arms control and disarmament.	
11. Arms control implication of technical development.	400,000
(a) Arms control implications of technical developments in the U.S.S.R.	
(b) Arms control implications of AICBM and other technical developments in the United States.	
12. Computer services and methodological studies.	1,000,000
(a) Computation laboratory.	
(b) Development of a general purpose military-political arms control and disarmament game to test arms control concepts.	
(c) Basic research on methodology for analysis of arms control problems (grants).	
13. Bibliographic studies.	150,000
(a) Maintenance of bibliographic and abstracting services on unclassified literature and research relating to arms control and disarmament.	
Subtotal.	8,760,000
Grand total, contract research program.	11,000,000

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As this table shows the Agency planned an expanded research program in fiscal year 1964 and contemplated requesting an appropriation of \$15 million of which \$11 million was to be spent for research and \$4 million for Agency operations.

The Agency has also had the responsibility for U.S. representation at lengthy disarmament and test ban negotiations at Geneva. The Agency estimates that since its establishment American negotiators have participated in formal meetings on arms control and disarmament matters in Geneva on more than 205 days. These included meetings of the Conference on the Discontinuance of Nuclear Weapons Tests, the Eighteen Nation Disarmament Conference (ENDC) plenary sessions, meetings of ENDC Test Ban Subcommittee and meetings of the ENDC Committee of the Whole.

Although no substantial progress has been made at either conference, preparation for them and participating in them has consumed a great deal of the Agency's energies. Reviewing these negotiations is outside the scope of this report. They have been subject of separate hearings by this committee from time to time and the Committee on Foreign Relations will continue to follow the development in this area closely.

To carry out its function of disseminating and coordinating public information concerning arms control and disarmament, the Agency reported that—

* * * Agency officials did participate in over 100 meetings, panel discussions, and study groups in 1962. In addition, such informational materials as articles for commercial journals, scripts for educational television programs, network and local TV and radio programs were prepared, and briefings and interviews were arranged with Agency officials for correspondents of public information media.

This and related activities are further discussed in another portion of this report.

COMMITTEE ACTION

The legislation contained in S. 777 was requested by the Arms Control and Disarmament Agency on January 31 and introduced by Senator Humphrey (for himself and Senators Clark, Randolph, and Javits) on February 11, 1963. Two months later, on April 10, 1963, the committee held a public hearing at which all persons who asked to testify up to that time were heard. The record was held open for over another month for such additional statements as individuals and organizations wished to submit.

On May 28, after some further testimony in executive session, the committee voted to report S. 777 favorably to the Senate with amendments. Inasmuch as some question arose as to the committee's intent regarding one of the amendments, the committee met on June 4 to modify this amendment and voted without objection to report the bill, as amended, to the Senate.

FINANCIAL PROVISIONS (SECS. 1 AND 4)

Authorization of appropriations.—Public Law 87-297 authorized the appropriation of not to exceed \$10 million to remain available until expended for the work of the Agency. Having virtually exhausted

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this authorization over the period of 2 years, the ACDA requested the authorization of "such sums as may be necessary and appropriate." The committee carefully considered this request and agreed to recommend to the Senate that there be authorized to be appropriated for the fiscal years 1964 and 1965 the sum of \$20 million, to remain available until expended, to carry out the purposes of this act. It should be clear that this sum is to be available for appropriations over a 2-year span. The language of the bill is not to be construed as meaning \$20 million is to be available each year. The following table shows past and recommended authorizations and appropriations.

Authorization, executive branch request, and appropriations

Fiscal year	Authori- zation	Executive branch ap- propriation request	Appropri- ation
1962.....	¹ \$10,000,000	\$2,900,000	{ ² \$831,000
1963.....	(³)	6,500,000	1,000,000
Total.....			⁴ 6,500,000
Authorized and not appropriated.....			
1964.....			8,331,000
1965.....	20,000,000	{ 15,000,000	1,669,000

¹ No year specified.

² Pursuant to sec. 47(a) of the Arms Control and Disarmament Act, the State Department, on Oct. 30, 1961, authorized this transfer of funds. The actual amount indicated on the transfer authorization was \$840,500, but the figure was rounded out to \$840,000 for budget purposes. As a result of later adjustments by the State Department in funds it had obligated but not deducted for disarmament administration activities, the Department, on Apr. 20, 1962, authorized \$9,400 of the above amount to be transferred back, leaving a net transfer balance of \$831,100, which was rounded out to \$831,000 for budget purposes. This is the figure that the Bureau of the Budget directed be shown in the 1962 column of the Agency's budget for fiscal year 1964 instead of the \$840,000 figure shown last year before the adjustment was made.

³ No change.

⁴ As of May 28, 1963, the Agency had obligated \$4,962,340.90 of this amount.

In deciding on the amount, the committee weighed these facts: (1) The Agency received in appropriations \$1,831,000 in fiscal year 1962, \$6,500,000 in fiscal year 1963, and proposed to request \$15 million for fiscal year 1964; (2) during the first 9 months of fiscal year 1963, the ACDA had obligated less than half of the funds available to it; and (3) the ACDA is still very new, as Government agencies go. The committee believes the amount proposed in S. 777 is reasonable and sufficient to finance the Agency's program for the next 2 years.

The committee proposed this authorization of appropriations as a means of assuring a continued review by the Congress over the growth and direction of the ACDA—a review which it believes the Agency should welcome.

In connection with the authorization the question of permanency of the Agency was raised in the committee. The committee points out that the enabling legislation does not anywhere provide that the Agency should cease to exist on any certain date. It is the view of the committee that the ACDA is as permanent as such statutory agencies as the Peace Corps and the Agency for International Development (AID) which have thus far been required to seek annual authorizations for appropriations. In fact, in arriving at the formula proposed in S. 777, the committee was influenced by the fact that in the case of the Peace Corps and the AID annual authorizations are required. In any event, the method selected by Congress for providing funds for the operations of an agency is totally unrelated to its permanency.

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Before leaving the question of the authorization of appropriations, the committee notes that there remains an authorized but unappropriated balance of \$1,669,000. (See table above.) Under the language approved by the committee, this authorization remains available for use without fiscal year limitation.

Rate of obligation.—A second committee amendment concerns the rate of the obligation of funds. The ACDA furnished the committee a table showing the monthly obligation of funds for fiscal years 1962 and 1963, which is printed on pages 80 and 81 of the hearings. To the end of March 1963, out of the \$6.5 million appropriated, the ACDA had obligated \$2,964,862.79—less than one-half of the amount available. A little less than one-third of this amount alone was obligated in March 1963. According to the ACDA figures, as of May 28, \$4,962,340.90 has been obligated in fiscal year 1963, indicating that during April and May the rate of obligations has been in the neighborhood of \$1 million a month. In contrast, during the first 3 months of this fiscal year, the average rate of obligations was less than \$80,000.

The committee is fully aware that this change in the monthly rate of obligations during fiscal year 1963 reflects the fact that the beginning phase of the organization of the ACDA is over and that the Agency is now launching its research program in earnest. Before this curve in the monthly rate of obligations becomes an established pattern in ACDA operations, the committee decided to recommend to the Senate this amendment as guidance to the ACDA:

Not more than 20 per centum of any appropriation made pursuant to the Act shall be obligated and/or reserved during the last month of a fiscal year.

This language is adapted almost verbatim from that contained in the Foreign Aid and Related Agencies Appropriations Act, 1963, applying to foreign aid funds, except the contingency and development loan funds. The committee was so concerned lest the fiscal year-end rush to obligate funds might become a regular procedure of the ACDA that it considered language prohibiting the Agency from obligating more than 20 percent of its available funds during the last 2 months of their availability. Even though the committee agreed to the less restrictive language, it hopes that the Agency's rate of obligations during the next 2 years will show that far less than 20 percent of its funds were obligated in the last month of the fiscal year.

SECURITY PROVISIONS

One of the two amendments relating to the security provisions, set forth in S. 777, would change the requirements for security investigations for actual or prospective contractors and subcontractors and their personnel. Such persons may not now have access to any classified information until they have received full-field background loyalty and security investigations by the Civil Service Commission or the Federal Bureau of Investigation. The proposed amendment would authorize the Director to accept, in lieu of such an investigation, a report of an investigation conducted by another Government agency, such as the Defense Department, the Central Intelligence Agency, the Atomic Energy Commission, etc. In fact, the latter two

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agencies were consulted in the drafting of this amendment. In discussing the proposed amendment, Mr. Foster testified:

The proposed procedure would be on a parity with practices followed by our most highly sensitive agencies. Indeed, the language of our amendment is based largely upon a similar amendment to the Atomic Energy Act which Congress passed in 1961.

Mr. Foster further assured the committee that—

if the investigative report of the other agency did not, in our opinion, fulfill our normal requirement with respect to thoroughness and completeness, we would obtain additional information as required on matters not adequately covered.

Under the proposed change an investigation of a contractor made within the preceding 5 years would be accepted and brought up to date by the ACDA, the FBI, or the Civil Service Commission through a name check rather than a full-field examination, unless something derogatory were disclosed, in which case a full-field investigation would be conducted. If the previous clearance is older than 5 years, a new full-field examination would be carried out as if the previous clearance did not exist.

The Agency cited two persuasive reasons for requesting this change in the act: (1) The delay occasioned by having to conduct new full-field examinations of each contractor, which normally takes 60 days but can take as much as twice as long when the load is heavy; and (2) the cost involved in these examinations, which is estimated to run between \$350 and \$400 per person.

The other change of a minor nature provides that the Director may grant access for information classified no higher than "confidential" to contractors, subcontractors, their officers and employees, on the basis of a name check only, rather than a full-field investigation. The intent is to use this procedure mainly for persons invited by the Agency to bidders' conferences. According to the ACDA, this practice is commonly utilized by the Department of Defense, the Atomic Energy Commission, and other agencies.

Two years ago, when the Arms Control and Disarmament Act was considered by the committee, it devoted particular attention to the security requirements. In fact, the committee redrafted this provision so as to satisfy itself that "the standards and procedures * * * are among the most thorough that appear in any Federal legislation." The committee believes that the changes recommended in S. 777 will not result in any dilution of the standards established in 1961.

AMENDMENTS TO THE POLICY FORMULATION PROVISION (SEC. 3 (a) AND (b))

The committee recommends two amendments to section 33, which pertains to policy formulation. The first relates to the proviso which states—

that no action shall be taken under *this or any other law* that will obligate the United States to disarm or to reduce or to limit the Armed Forces or armaments of the United States, except pursuant to the treaty making power of the President.

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under the Constitution or unless authorized by further affirmative legislation by the Congress of the United States. [Italic provided.]

The committee voted to recommend deletion of the italicized words and the insertion in lieu thereof "this Act". The committee believes that limitations contained in the Arms Control and Disarmament Act should apply only to actions taken pursuant to that act and should not by inadvertence venture into constitutional questions beyond the subject matter scope of this act. It should be stressed that the substance of the proviso, which the committee regards as an essential safeguard, remains completely unchanged. Its applicability, however, is now being solely limited to actions taken pursuant to the Arms Control and Disarmament Act.

The second amendment to section 33 consists of the addition of a new sentence reading as follows:

Nothing contained in this Act shall be construed to authorize any policy or action by any Government agency which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms by an individual for the lawful purpose of personal defense, sport, recreation, education, or training.

The amendment is self-explanatory. It is the committee's view that nothing in the original act would have authorized the Agency to deal with the question of individual ownership and possession of firearms. Since some concern seems to exist, nevertheless, in the minds of sportsmen and others, the committee recommends this amendment to the Senate to make the congressional intent entirely clear.

LIMITATION ON THE USE OF FUNDS FOR DISSEMINATION OF PROPAGANDA

The last amendment recommended by the committee is the following limitation on the use of funds:

None of the funds herein authorized to be appropriated shall be used to pay for the dissemination within the United States of general propaganda in support of any pending legislation concerning the work of the United States Arms Control and Disarmament Agency.

This language reflects the committee's concern over the organized pressures brought to bear during consideration of S. 777. The committee is fully aware of the constitutional right of citizens to petition their Government. It is concerned, however, that tax funds gathered from all the citizens not be used, directly or indirectly, to encourage expressions of particular groups of citizens simply because those groups support positions taken by the Government agency. Mr. Foster testified that he personally did not promote these exertions on behalf of the bill and that he did not know who did. The provision recommended by the committee would therefore merely insure that the Agency will not participate in a public campaign on behalf of its own legislation. The committee does not intend by this language to restrict Agency officials from addressing public affairs groups and others on the general subject of arms control and disarmament or to undertake similar activities.

CONCLUSION

The committee believes that S. 777 with the committee amendments deserves the approval of the Senate. The amendments are designed to assure that the ACDA's growth proceeds cautiously and under necessary safeguards. The authorization insures another thorough review by the Foreign Relations Committee of Agency operations in 2 years. In this connection, the committee bore in mind that the annual appropriation process also serves as a review. In fact, the committee did not request a detailed justification of the proposed fiscal year 1964 contracts, believing this to be a matter for thorough examination by the Appropriations Committees.

The committee hopes that the Senate will give its prompt endorsement to S. 777 together with the committee amendments.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 33 OF ARMS CONTROL AND DISARMAMENT ACT

POLICY FORMULATION

SEC. 33. The Director is authorized and directed to prepare for the President, the Secretary of State, and the heads of such other Government agencies, as the President may determine, recommendations concerning United States arms control and disarmament policy: *Provided, however,* That no action shall be taken under this [or any other law] Act that will obligate the United States to disarm or to reduce or to limit the Armed Forces or armaments of the United States, except pursuant to the treaty making power of the President under the Constitution or unless authorized by further affirmative legislation by the Congress of the United States. *Nothing contained in this Act shall be construed to authorize any policy or action by any Government agency which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms by an individual for the lawful purpose of personal defense, sport, recreation, education, or training.*

SECTION 45 OF ARMS CONTROL AND DISARMAMENT ACT

SECURITY REQUIREMENTS

SEC. 45. (a) The Director shall establish such security and loyalty requirements, restrictions, and safeguards as he deems necessary in the interest of the national security and to carry out the provisions of this Act. The Director shall arrange with the Civil Service Commission for the conduct of full-field background security and loyalty investigations of all the Agency's officers, employees, consultants, persons detailed from other Government agencies, members of its General Advisory Committee, advisory boards, contractors and subcontractors,

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and their officers and employees, actual or prospective. In the event the investigation discloses information indicating that the person investigated may be or may become a security risk, or may be of doubtful loyalty, the report of the investigation shall be turned over to the Federal Bureau of Investigation for a full-field investigation. The final results of all such investigations shall be turned over to the Director for final determination. No person shall be permitted to enter on duty as such an officer, employee, consultant, or member of advisory committee or board, or pursuant to any such detail, and no contractor or subcontractor, or officer or employee thereof shall be permitted to have access to any classified information, until he shall have been investigated in accordance with this subsection and the report of such investigations made to the Director, and the Director shall have determined that such person is not a security risk or of doubtful loyalty. Standards applicable with respect to the security clearance of persons within any category referred to in this subsection shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category.

(b) In the case of contractors or subcontractors and their officers or employees, actual or prospective, the Director may accept, in lieu of the investigation prescribed in subsection (a) hereof, a report of investigation conducted by a Government agency, other than the Civil Service Commission or the Federal Bureau of Investigation, when it is determined by the Director that the completed investigation meets the standards established in subsection (a) hereof: Provided, That security clearance had been granted to the individual concerned by another Government agency based upon such investigation and report. The Director may also grant access for information classified no higher than "confidential" to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of reports on less than full field investigations: Provided, That such investigations shall each include a current national agency check.

[(b)] (c) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under section 2165 of title 42, to permit the Director or any officer, employee, consultant, person detailed from other Government agencies, member of the General Advisory Committee or of an advisory board established pursuant to section 41(f), contractor, subcontractor, prospective contractor, or prospective subcontractor, or officer or employee of such contractor, subcontractor, prospective contractor, or prospective subcontractor, to have access to Restricted Data which is required in the performance of his duties and so certified by the Director, but only if (1) the Atomic Energy Commission has determined, in accordance with the established personnel security procedures and standards of the Commission, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Atomic Energy Commission finds that the established personnel and other security procedures and standards of the Agency are adequate and in reasonable

conformity to the standards established by the Atomic Energy Commission under section 2165 of title 42, including those for interim clearance in subsection (b) thereof. Any individual granted access to such Restricted Data pursuant to this subsection may exchange such data with any individual who (A) is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the Armed Forces, or an officer or employee of the National Aeronautics and Space Administration, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and (B) has been authorized to have access to Restricted Data under the provisions of sections 2163 or 2455 of title 42.

SECTION 49 OF ARMS CONTROL AND DISARMAMENT ACT

APPROPRIATION

SEC. 49. (a) There are hereby authorized to be appropriated not to exceed \$10,000,000 to remain available until expended, to carry out the purposes of this Act. *In addition, there is hereby authorized to be appropriated for the fiscal years 1964 and 1965, the sum of \$20,000,000, to remain available until expended, to carry out the purposes of this Act.*

(b) Funds appropriated pursuant to this section may be allocated or transferred to any agency for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure in accordance with authority granted in this Act, or under authority governing the activities of the agencies to which such funds are allocated or transferred.

(c) *Not more than 20 per centum of any appropriation made pursuant to this Act shall be obligated and/or reserved during the last month of a fiscal year.*

(d) *None of the funds herein authorized to be appropriated shall be used to pay for the dissemination within the United States of general propaganda in support of any pending legislation concerning the work of the United States Arms Control and Disarmament Agency.*

